

Message Text

CONFIDENTIAL

PAGE 01 BEIRUT 14328 181230Z

41

ACTION NEA-12

INFO OCT-01 ISO-00 ABF-01 FS-01 OPR-02 A-01 SS-20 NSC-10

EB-11 TRSE-00 SPC-03 FRB-02 CIAE-00 INR-10 NSAE-00

RSC-01 DRC-01 /076 W

----- 030612

R 181141Z DEC 73

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 5692

INFO AMEMBASSY AMMAN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

C O N F I D E N T I A L BEIRUT 14328

E.O. 11652: GDS

TAGS: EFIN, LE

SUBJECT: SHARP DROP IN VALUE OF DOLLAR VIS-A-VIS LEBANESE POUND

1. BEGIN UNCLASSIFIED: WITHIN WEEK'S TIME VALUE OF U.S. DOLLAR VIS-A-VIS VALUE OF LEBANESE POUND HAS DROPPED RATHER SHARPLY FROM \$1.00 EQUALS LL 2.57 TO \$1.00 EQUALS LL 2.40. IN CONTRAST WITH PREVIOUS LOSSES OF VALUE, PRESENT DOLLAR DROP DOES NOT REFLECT LOSS OF DOLLAR STRENGTH VIS-A-VIS MAJOR EUROPEAN CURRENCIES. END UNCLASSIFIED

2. BEGIN CONFIDENTIAL: KNOWLEDGEABLE CENTRAL BANK OFFICIAL HAS INFORMED US CONFIDENTIALLY THAT FALL OF DOLLAR DIRECTLY CONNECTED WITH SHARP RISE OF INFLOW OF DOLLARS TO LEBANON, MAINLY FROM THE GULF. AFTER DAILY AVERAGE INFLOWS OF \$2 MILLION, THIS SUM SUDDENLY ROSE TO DAILY AVERAGE \$15 MILLION. BULK OF FUNDS BEING PLACED IN REAL ESTATE, WHERE DEMAND HAS ALREADY CAUSED UNPRECEDENTED INCREASES. (SOME LAND RECENTLY SOLD AT LL 14,000 PER SQUARE METER.)

3. TAXES AND LIMITATION ON REAL ESTATE TRANSACTIONS CONSIDERED ESSENTIAL TO STEMMING LARGE DOLLAR INFLOWS, BUT ARE EXTREMELY UNPOPULAR AMONG INFLUENTIAL POLITICAL GROUPS. POSSIBLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BEIRUT 14328 181230Z

LIMITATIONS ON TRANSACTIONS BY FOREIGNERS A MORE LIKELY

POSSIBILITY.

4. CENTRAL BANK PLANS NO INTERVENTION IN DOLLAR MARKET FOR
THE PRESENT. END CONFIDENTIAL. BUFFUM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, FINANCIAL MARKETS, CURRENCY STABILITY, POUND (CURRENCY)
Control Number: n/a
Copy: SINGLE
Draft Date: 18 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BEIRUT14328
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: BEIRUT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731219/aaaaaobs.tel
Line Count: 65
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02-Jan-2002 by martinml>; APPROVED <15-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHARP DROP IN VALUE OF DOLLAR VIS-A-VIS LEBANESE POUND
TAGS: EFIN, LE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005